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Congress of the United States House of Representatives

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BANKING COMMITTEE

CAPITAL MARKETS, SECURITIES AND GOVERNMENT SPONSORED ENTERPRISES SUBCOMMITTEE

GOVERNMENT REFORM AND OVERSIGHT COMMITTEE

VICE CHAIRMAN,

HUMAN RESOURCES AND INTERGOVERNMENTAL RELATIONS SUBCOMMITTEE

NATIONAL ECONOMIC GROWTH, NATURAL RESOURCES AND REGULATORY AFFAIRS SUBCOMMITTEE

SMALL BUSINESS COMMITTEE

TAX, FINANCE AND EXPORTS SUBCOMMITTEE

ASSISTANT MAJORITY WHIP

The Hon. Newt Gingrich Speaker of the House United States Capitol Washington, DC

Dear Mr. Speaker:

When earlier this year, you and other members of the Republican House leadership announced a budget agreement with the White House, I was disappointed that the tax relief provided in the agreement was well below what many of us had hoped to achieve. Nevertheless, I supported the agreement in large part because the Congressional Budget Office says it will preserve Medicare and balance the budget for the first time in 30 years.

The parties to this agreement -- including the Clinton Administration and the leadership of both houses of Congress -- have pledged that the plan would provide \$85 billion in net tax relief for the American people over the next five years. In recent weeks, and to nobody's surprise, the Clinton Administration has been reneging on the deal, in part by trying to divert up to \$15 billion of income tax relief to those who pay no income taxes at all.

I cannot express too strongly my profound disappointment in reading in *The Washington Times* that you are considering accepting this violation of the agreement. I am not necessarily opposed to the concept of providing such assistance to the working poor in the form of a refundable child tax credit. But we should honestly call it what it is -- a spending increase -- and offset this increase with a corresponding spending cut elsewhere in the budget. This is what balancing the budget is all about. In any event, this scheme should not be used as an excuse to reduce the size of the tax relief we have promised the American people.

Many of us had wanted more tax relief than the agreement provided. However, we accepted your argument that any increase in the size of the tax cut would violate a solemn agreement with the White House and was therefore out of the question. Now we are told that violating the agreement by reducing the size of the tax cut is not unacceptable.

Well, Mr. Speaker, it is unacceptable to me.

Let me state very clearly, we pledged to provide \$85 billion in tax relief and I take my pledges very seriously. Any tax package that includes significantly less than that amount in tax relief breaks faith with the American people. How could you ask me to support such a package? The Joint Committee on Taxation announced yesterday that the White House's proposal, which

you are considering, is an increase in spending and would cut the size of tax relief by \$15 billion. The committee found that this proposal would deprive taxpayers of more than 20% of the tax relief we promised them over the next 10 years.

This is not about partisanship. This is not about ideology. This is not even about tax cuts. This is about keeping our word. I cannot make the President keep his word and I cannot make you keep your word. Please don't ask me to break my word to my constituents.

Mr. Speaker, I ask in the strongest of terms that you maintain your commitment to the agreement you have made. What is at stake here is more than a single agreement or a single tax cut. It is the integrity of our word.

Sincerely,

Vince Snowbarger Member of Congress

cc: The Hon. Bill Archer,

Chairman, House Committee on Ways and Means